

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Gas Transmission Northwest, LLC)
)

Docket No. CP22-2-000

**MOTION TO INTERVENE OUT-OF-TIME AND PROTEST OF
PUGET SOUND ENERGY, INC.**

Pursuant to Rules 211, 212 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“FERC or the “Commission”), Puget Sound Energy, Inc. (“PSE”) respectfully requests that the Commission accept this Motion to Intervene Out-of-Time and Protest (“Motion” or “Motion to Intervene”). In support thereof, PSE states as follows:

I. CORRESPONDENCE AND COMMUNICATIONS

All correspondence and communications regarding this complaint should be addressed to the following, each of whom is designated for service and should be placed on the Commission's official service list for this proceeding:

<p>Pamela J. Anderson Mary Emerson Perkins Coie LLP 10885 NE 4th Street Suite 700 Bellevue, WA 980004 Tel.: (425) 635-1417 E-mail: PJAnderson@perkinscoie.com Tel.: (202) 661-5889 E-mail: MEmerson@perkinscoie.com</p>	<p>Bill Donahue Manager, Natural Gas Resources Puget Sound Energy, Inc. 355 110th Ave N.E. EST-04 Bellevue, WA 98044 Tel.: (425) 456-2356 E-mail: Bill.Donahue@pse.com</p>
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II. BACKGROUND

On October 4, 2021, Gas Transmission Northwest LLC (“GTN”) filed an Abbreviated Application for a Certificate of Public Convenience and Necessity (“Application”). GTN requests authorization to construct and operate the GTN Xpress Project located in Kootenai

County, Idaho; Walla Walla County, Washington; and Sherman County, Oregon (the “Xpress Project”). In its Application, GTN represents that the Xpress Project consists of modifications to compressor stations: No. 5 Athol, No. 7 Starbuck, and No. 10 Kent, as well as installation of various appurtenant and auxiliary facilities to provide 150,000 dekatherms per day (Dth/d) of incremental firm transportation capacity from GTN’s Kingsgate Meter Station to its Malin Meter Station. According to GTN, the Xpress Project will cost approximately \$75.1 million and GTN is requesting predetermination of rolled-in rate treatment for the project.¹

The Commission noticed the filing of GTN’s Application on October 19, 2021 and established a comment/intervention deadline of November 9, 2021. A number of individuals and entities filed comments on GTN’s proposal. Pacific Gas and Electric Company, (“PG&E”) filed a motion to intervene and protest on November 9, 2021 (“PG&E Protest”). PSE supports the PG&E Protest and agrees that the merits of GTN’s Application for rolled-in rate treatment should be determined in GTN’s next Natural Gas Act (“NGA”) Section 4 rate case, after additional information is provided to enable the Commission and parties to sufficiently evaluate whether the costs contained in this Application should be rolled-in to GTN’s existing rates.²

PSE is compelled to file this Motion and protest to adequately protect its interests in this proceeding. Accordingly, PSE respectfully requests that the Commission accept this Motion.

III. MOTION TO INTERVENE OUT-OF-TIME

PSE is a Washington corporation and a wholly-owned subsidiary of Puget Energy, Inc., a holding company. PSE is a public utility primarily engaged in the business of purchasing, distributing and selling natural gas at wholesale and retail. PSE is also engaged in the purchasing, generating, transmitting, distributing, and selling of electric energy at wholesale and

¹ Application at 13-14.

² PG&E November 9, 2021 Motion to Intervene and Protest of Pacific Gas and Electric Company at 1, 4.

retail. PSE serves approximately 900,000 residential, commercial, and industrial retail natural gas customers and 1.1 million retail electric customers in the Puget Sound region of western Washington state. PSE is a firm shipper on the GTN system, holding long-term capacity for the benefits of its natural gas and electric customers.

PSE understands the importance of compliance with the Commission's procedural rules and has made every effort to comply with those rules. Nonetheless, PSE was not able to file this Motion within the time period established in the Notice. PSE respectfully suggests that it satisfies each of the criteria in Rule 214 with respect to the Motion to Intervene.

The Commission's Rule 214(d) governs late intervention and requires that late intervenors must "show good cause why the time limitation should be waived."³ PSE has good cause for failing to file its Motion to Intervene within the time prescribed because PSE only recently learned of particular economic issues in the Application and the manner in which those issues may impact PSE. PSE filed this Motion to Intervene as soon as practicable after learning of those particular economic issues. PSE will accept the record as it stands and therefore, there will be no interruption to this proceeding by permitting PSE to intervene out-of-time. The only pleadings that have been filed in this docket at the present time are the Application, numerous comments, two motions to intervene and one protest. To date, the Commission has taken no substantive actions in this docket nor has the draft environmental assessment comment period commenced. Consequently, the Commission and GTN can consider PSE's Motion to Intervene without disruption to the present proceeding.

As a firm shipper on the GTN system, PSE has a direct and substantial interest in this proceeding. The proposed Application by GTN will directly impact PSE's cost and terms of

³ 18 C.F.R. § 385.214 (b)(3) (2021).

service for natural gas transportation service on the GTN system, and no other party can adequately represent PSE's interest in this proceeding. There would be no prejudice or additional burden to any other party if PSE's Motion is granted. PSE's late intervention satisfies Rule 214(d)(v) and good cause exists to grant this Motion to Intervene out-of-time.

For these reasons, PSE respectfully requests that the Commission grant its Motion to Intervene Out-of-Time and grant PSE party status in this proceeding.

IV. PROTEST

PSE protests GTN's request that the Commission pre-determine that the estimated capital costs of the GTN Xpress Project should be rolled-in to its existing recourse rates in its next NGA Section 4 rate case. More specifically, GTN states that its proposal to, among other things, provide 150,000 Dth/d of incremental firm transportation capacity from GTN's Kingsgate Meter Station to its Malin Meter Station, will add approximately \$75.1 million in costs to ratepayers.

First, GTN's Application is void of the necessary transparency to protect ratepayers. The Application states that the Xpress Project's total approximate capacity is anticipated to be "[u]p to 100,000 Dth/d, with primary deliveries to Malin or other mutually agreeable delivery points between Kingsgate and Malin," *in Phase I*, and "[u]p to an additional 150,000 Dth/d (250,000 Dth/d cumulative), with primary deliveries to Malin or other mutually agreeable delivery points between Kingsgate and Malin," *for Phase II*.⁴ According to GTN, in *Phase I* it needs an additional 100,000 Dth/d of delivery capacity. Although no shipper offered to turnback any capacity during the open season, GTN has now determined that it can provide the additional 100,000 Dth/d without adding any facilities. It is unclear how GTN plans to provide this additional 100,000 Dth/d of capacity without adding any facilities. GTN should be required to

⁴ See Application, Exhibit Z-1 (emphasis added).

explain how it achieved the capability to provide an additional 100,000 Dth/d of service without changing its system.

Second, on March 10, 2020, GTN submitted three prior notice filings under 18 C.F.R. section 2.55(b)(1)(iii) of the Commission’s regulations. In Docket No. CP20-82-000, GTN gave notice that it was replacing compressor facilities at its Athol Compressor Station that would cost approximately \$82 million.⁵ According to GTN, the new compressor was a Solar Titan 130 gas turbine and the resulting compression facility configuration was “the nearest reliable size available to the unit being replaced and with controls being put in place will have a substantially equivalent designed delivery capacity” to the unit being replaced.⁶ In Docket No. CP20-85-000, GTN gave notice that it was replacing compressor facilities at its Kent Compressor Station that would cost approximately \$79 million.⁷ GTN stated that the new compressor facility was a Solar Titan 130 gas turbine and the resulting configuration was “the nearest reliable size available to the unit being replaced and with controls being put in place will have a substantially equivalent designed delivery capacity” to the unit being replaced.⁸ Finally, in Docket No. CP20-86-000, GTN gave notice that it was replacing compressor facilities at its Starbuck Compressor Station that would cost approximately \$90 million.⁹ GTN also stated that the new compressor facility was a Solar Titan 130 gas turbine, and the resulting configuration was “the nearest reliable size available to the unit being replaced and with controls being put in place will have a substantially equivalent designed delivery capacity” to the unit being replaced.¹⁰

⁵ See GTN Advance Notice of Natural Gas Facilities Replacement Pursuant to Section 18 C.F.R. § 2.55 (b)(iii), Athol Compressor Station, Docket No. CP20-82-000 (March 10, 2020) (“Athol Compressor Filing”).

⁶ See [Docket No. CP20-82-000](#), Athol Compressor Filing.

⁷ See GTN Advance Notice of Natural Gas Facilities Replacement Pursuant to Section 18 C.F.R. § 2.55 (b)(iii), Kent Compressor Station, Docket No. CP20-85-000 (March 10, 2020) (“Kent Compressor Filing”).

⁸ See [Docket No. CP20-85-000](#), Kent Compressor Filing.

⁹ See GTN Advance Notice of Natural Gas Facilities Replacement Pursuant to Section 18 C.F.R. § 2.55 (b)(iii), Starbuck Compressor Station, Docket No. CP20-82-000 (March 10, 2020) (“Starbuck Compressor Filing”).

¹⁰ See [Docket No. CP20-86-000](#), Starbuck Compressor Filing.

The compressors GTN replaced in its prior notice proceedings were located at each of the compressor stations Athol, Kent and Starbuck, that are now the subject of the new and additional facilities proposed in the Application. In each of its prior notice filings, GTN stated that the new compressors are larger than the existing compressors that are being replaced and that GTN will put in place controls “to govern horsepower such that the station operation can be controlled and will not exceed certificated horsepower.”¹¹ In the Application, GTN states that it is “uprating” each of three Solar Titan 130 gas turbines from 14,300 ISO HP to 23,470 ISO HP;¹² these are the same three Solar Titan 130 gas turbines GTN added in the prior notice dockets and the horsepower of each compressor is being uprated by sixty-four percent (64%) ($[23,470 - 14,300] / 14,300$) higher than needed. In other words, 39% ($[23,470 - 14,300] / 23,470$) of the Solar Titan 130 turbine compressors installed pursuant to the prior notice provisions are now being used to provide expansion service. GTN, however, did not include *any* of the costs of the replacement compressors in its Application even though the excess horsepower it put in place is supporting the service to be provided by the Xpress Project.

The Commission should investigate GTN’s Application to confirm that the cost of the excess capacity created by the compressor facilities that were constructed in the prior notice proceedings in Docket Nos. CP20-81-000, CP20-85-000 and CP20-86-000 will be appropriately included in the cost of the Xpress Project.¹³ GTN claims the costs of the Xpress Project should be rolled-in to its existing rates. The Commission must determine whether the Xpress Project would qualify for rolled-in rate treatment if the appropriate amount of costs from the new compressors added in the prior-notice proceedings are added to the costs of the Xpress Project.

¹¹ See Docket Nos. CP20-82-000, CP20-85-000, and CP20-86-000.

¹² Application at 6-7.

¹³ The total costs in the prior notice filings were estimated at approximately \$251 million.

The Commission should not allow GTN to circumvent its rolled-in vs incremental pricing rules by use of the prior notice procedures. PSE wishes to emphasize that it is not opposed to the GTN Xpress Project, but it is opposed to the requested pre-determination of rolled-in rate treatment. That determination should be made in the next NGA Section 4 rate case.

V. CONCLUSION AND REQUESTED RELIEF

WHEREFORE, for the foregoing reasons, PSE respectfully requests that the Commission grant the following relief:

1. Grant PSE's Motion to Intervene out-of-time;
2. Grant PSE party status to this proceeding with full rights and privileges accorded to parties;
3. Find that the merits of GTN's Application for rolled-in rate treatment should be determined in a properly filed NGA Section 4 rate case; and
4. Grant such other relief that the Commission may deem necessary and appropriate under the law.

Respectfully submitted,

/s/ Pamela J. Anderson

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Counsel for Puget Sound Energy, Inc.

November 17, 2021

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in these proceedings.

Dated at Washington, D.C., this 17th day of November 2021.

/s/ Mary Emerson
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